

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 984 - SB 884

March 2, 2011

SUMMARY OF BILL: Authorizes an individual whose spouse is a member of the armed services of the United States to collect unemployment benefits if the individual has left employment to accompany the spouse due to a military transfer. Requires funding for these benefits to be paid from the General Fund. Prohibits the payment of these benefits from having an adverse effect on the employer's experience rating for purposes of determining premiums.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$278,800

Assumptions:

- Based on information provided by the Department of Labor and Workforce Development and the U.S. Department of Defense, there are approximately 20,800 military personnel living in Tennessee (2,500 stationed in Tennessee + 18,300 stationed at Fort Campbell in Kentucky, residing in Tennessee).
- According to the Department of Labor and Workforce Development, approximately one-half are married and one-third are transferred each year, resulting in 3,432 spouses of transferred military personnel each year ($20,800 \times 50\% \times 33\%$). Approximately one-half of these spouses are employed, resulting in 1,716 potential unemployment claims each year.
- The average weekly benefit amount for unemployment insurance is \$222.06, and the average duration of unemployment benefits is 17.2 weeks, resulting in an average of \$3,819 per claimant.
- Based on the above information, there will be approximately 73 claims in Tennessee each year. As a result, the recurring increase to state expenditures will be \$278,787 (73 claims x \$3,819 per claimant).

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- There will be no impact on state or local governments as employers. All benefits will be paid directly from the General Fund.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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